

The Role of Moderation of Organizational Commitment in The Relationship Between Government Accounting Standards, The Government's Internal Control System and The Quality of Government Apparatuses on The Quality of Central Government Financial Statements : Application of Governmental Accounting Standards In Indonesia

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Abstract. This study is aimed to observe the factors that influence the application of governmental accounting standards in Indonesia based on indicators and variables that influence it. Quantitative descriptive method is used to reveal the holistic symptoms of the variables and population used in this study are all employees of the accounting/finance department of the Jakarta Climatology and Geophysics Meteorology Agency (BMKG) and UPT BMKG of Jambi Area which are numbered 99 people. In this study, the sample was taken using the census method. Data analysis procedure uses data quality test and statistical description. The findings from this study are that Governmental Accounting Standards, Government Internal Control Systems, Quality of Central Government Apparatus, Organizational Commitment, Central Government Financial Information Quality are the main factors influencing the application of governmental accounting standards in Indonesia.

Keywords: *Governmental Accounting Standards, Government Internal Control Systems, Quality of Central Government Apparatus, Organizational Commitment, Central Government Financial Information Quality*

1. Introduction

One of the outputs of the data processing system (accounting system) is the financial information summarized in the Financial Statements. The financial statements have a function as a basis for consideration for organizational management in the decision making process. In other words, financial statements are as one of the information used in decision making. Therefore, financial statements are a main feature of financial reporting. Financial reports are the main principle of communication for parties outside the organization (I Putu S. Sanjaya, 2005). In a broader framework, financial statements are part of the management accountability process to interested parties. In financial management, the government has reformed by issuing Law Number 17 of 2003 concerning State Finance which requires the form and content of accountability reports for the implementation of the State Budget (APBN) to be prepared and presented with the Government Accounting Standards set by Government Regulation. The

government also issued Law No. 33 of 2004 concerning Financial Balance between the Central and Regional Governments.

The form of the accountability report for central financial management for one fiscal year is in the form of the Central Government Financial Report (LKPP). The Central Government's financial statements must follow the Government Accounting Standards in accordance with Government Regulation No.71 of 2010. The purpose of the enactment of the Government Regulation is as a concrete effort to realize transparency and accountability in the management of state finances in the submission of government financial accountability reports that meet the principles on time and are compiled in accordance with government accounting standards that have been generally accepted. The quality of government financial reports is strongly influenced by compliance with accounting standards, the quality of government apparatus, and the support of the existing accounting system.

Then Government financial statements are submitted to the DPR and the general public after being audited by the Supreme Audit Agency (BPK). In accordance with Law Number 17 of 2003 concerning State Finance Article 30, paragraph (2) states that the President submits a draft of law on the accountability of APBN implementation to the DPR in the form of a financial report which includes the State Budget Realization Report, Balance Sheet, Cash Flow Statement, and Notes for Financial Statements, enclosing Financial Statements of State Companies and other entities.

Government Accounting Standard Board – USA (1999) in Concepts Statement No.1 regarding Objectives of Financial Reporting states that accountability is the basis of financial statements in government. Central government financial management must be carried out based on good governance, namely financial management that is carried out transparently and accountably, which allows users of financial statements to be able to access information about the results achieved in the administration of the central government.

Financial reports generated by the Central Government will be used by several interested parties as a basis for decision making. Therefore, the information contained in the Central Government Financial Report (LKPP) must be useful and in accordance with the needs of the user. According to Xu et al. (2003) states that information will be useful if the information can support decision making, and can be understood by users. Therefore, the Central Government in this case the Meteorology, Climatology and Geophysics Agency must pay attention to the information presented in the financial statements for the purposes of planning, controlling, and decision making. The accounting information contained in the Central Government's financial statements must fulfill several qualitative characteristics as required in Government Regulation No. 71 of 2010 concerning Government Accounting Standards.

If the information contained in the Central Government Financial Statements meets the criteria for qualitative characteristics of government financial statements as required by Government Regulation Number 71 of 2010, it means that the Central Government is able to realize transparency and accountability in central financial management. The information contained in the financial statements produced by the Central Government must be in accordance with the criteria for the value of information required by the legislation. If the contents contained in the financial statements are not in accordance with the laws and regulations, it will result in losses, potential fraud, occurrence of SAL (More budget balance or SIKPA/SILPA (remaining less/more budget financing), inefficiency, and ineffectiveness.

The Government's Internal Control System according to Government Regulation No. 60 of 2008 Article 2 paragraph 3 aims to provide adequate assurance for the achievement of effectiveness and efficiency in achieving the objectives of the implementation of the state government, the reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations.

From the Examination of the Supreme Audit Agency (BPK) for 86 State Ministries/Institutions reported in LKPP in 2012, there were 12 cases of weaknesses in the Internal Control System (SPI) which included weaknesses in the Accounting Control and Reporting System, weaknesses in the control system for the implementation of income and expenditure budgets, and weakness of policy control systems and internal control criteria. The BPK also found and recorded non-compliance with statutory provisions, for example: direct grant income from 15 ministries/institutions totaling Rp.499.62 m is not reported to the State General Treasurer, Budgeting for Goods and Capital Expenditures in 41 Ministries/Institutions amounting to Rp. 624.93 M is not in accordance with the provisions, and there is a Use of Expenditures in 72 Ministries/Institutions that are not in accordance with the provisions and indicated that the state has a loss of Rp. 546.01 M. Sales that are not in accordance with the contract so that there are potentially uncollectible receivables amounting to Rp. 1.35 trillion, approval for payment of the 14th quota increase for IMF membership is approximately Rp. 38.18 trillion is not yet clear about the source of funding, and the management status of SKK Migas has not been established, and the payment of operational costs during 2012 amounted to Rp. 1.60 trillion not through the APBN mechanism (<http://www.bpk.go.id/lkpp>).

2. Literature Review

Government Accounting Standards regulate the presentation of general purpose financial statements in order to improve the comparability of financial statements both on budget, between periods, and between entities. The general purpose of financial statements is to meet the shared needs of most report users. In order to achieve these objectives, this standard establishes all considerations in the context of presenting financial statements, guidelines for financial statement structure, and minimum requirements for the contents of financial statements. The application of Government Accounting Standards despite experiencing many obstacles, but it has increased. Improving the quality of the financial statements in the form of Audit Results Reports by the BPK, LKPP opinion in 2012 is Fair with Exceptions or Qualified of Opinion. The number of Institutions Ministries that get WTP (Unqualified) opinion is increasing.

In the context of government implementation, through Government Regulation Number 60 of 2008 the government established an internal control system that must be implemented both at the central and regional levels. The internal control system is an integral process for actions and activities carried out continuously by the leadership and all employees to provide adequate assurance of the achievement of organizational goals through effective and efficient activities, reliability of financial reporting, safeguarding state assets, and compliance with laws and regulations. The internal control system is useful for controlling government activities in order to achieve effective, efficient, transparent and accountable state financial management.

To produce high quality financial reports, as well as meet the characteristics of the financial statements required human resources who are competent in government, financial, and even organizational accounting about governance. This is in line with the research of Zeyn (2011) which states that most of the civil servants in finance do not come from educational backgrounds that are in accordance with their position and do not fully understand accounting. Other research conducted by the BPK (Nazier, 2009), which provides empirical findings that

76.77% of financial management units within the central government and local government are filled by employees who do not have an educational background accounting as the basic knowledge needed in financial management.

A quality financial reporting process will not be held without system support and behavior from members of the organization, in this case is the Central Government Apparatus of the Meteorology, Climatology and Geophysics Agency of Jakarta and UPT BMKG in Jambi Region. The behavior of employees is shown by the organization's commitment to produce quality accountability reports. Employees with high continuance commitment will continue to be members in the organization because they have the need to become members of the organization (Meyer, 1997). Normative commitment describes the feeling of engagement to continue to be in the organization. Employees feel themselves must be in the organization (Meyer, 1997), this will result in a pressure in carrying out their duties.

3. Material And Methods

The population used in this study is the entire staff of the accounting department/finance department of the Central BMKG of Jakarta and the UPT BMKG in Jambi Region, there is 99 people.

In this study, the sample was taken using the census method. Census method is a method in which the total population of the research is taken all as respondents/research subjects (Arikunto, 2008).

The selection of research samples is based on the consideration that the Central BMKG of Jakarta and UPT BMKG of Jambi Region are agencies that consolidate the financial statements of all Work Units in Indonesia and produce the final output in the form of Central Government Financial Statements (LKPP).

The preparation of questionnaires was carried out in the form of closed questions. In each question in the questionnaire, the response method used is Likert scale 1 to 5. Score 1, 2, 3, 4, and 5 represent the answer strongly disagree (STS), disagree (TS), Neutral (N), Agree (A), strongly agree (SS). As for the data processing used is a statistical description.

4. Result And Discussions

4.1. Analisis Deskriptif

Based on the results of the respondents' answers to the distributed questionnaires can be described about the responses of respondents to the variables applying government accounting standards, the internal control system, the quality of government apparatus, organizational commitment and the quality of central government financial information by BMKG respondents in Jakarta Center and BMKG in Jambi Region can be explained as follows:

a. Responses to the Application of Governmental Accounting Standards

The following is a recap of respondents' answers to the variables applying governmental accounting standards:

Table 1
Descriptive Statistics of Variables Implementing Governmental Accounting Standards

| Descriptive Statistics | | | | | |
|------------------------|----|---------|---------|-------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| PenSAP1 | 92 | 3 | 5 | 4.42 | .519 |
| PenSAP2 | 92 | 3 | 5 | 4.18 | .610 |
| PenSAP3 | 92 | 3 | 5 | 4.47 | .544 |
| PenSAP4 | 92 | 3 | 5 | 4.23 | .595 |
| PenSAP5 | 92 | 2 | 5 | 4.17 | .640 |
| PenSAP6 | 92 | 2 | 5 | 3.80 | .855 |
| PenSAP7 | 92 | 1 | 5 | 3.98 | .770 |
| PenSAP8 | 92 | 2 | 5 | 4.15 | .769 |
| PenSAP9 | 92 | 1 | 5 | 3.99 | .819 |
| PenSAP10 | 92 | 1 | 5 | 3.66 | .952 |
| PenSAP11 | 92 | 2 | 5 | 4.11 | .748 |
| ToPenSAP | 92 | 37 | 55 | 45.17 | 4.585 |
| Valid N (listwise) | 92 | | | | |

b. Primary data sources was processed in 2018

Based on table 1 above can be seen for the maximum value of 5 and minimum value of 1 on some indicators of the independent variables of the application of governmental accounting standards. Indicator 1 recording assets has been supported with evidence according to the provisions of the lowest value is neutral 3 (neutral). This means that none of the respondents stated disagree or strongly disagree. Indicator 2 Capital has been supported with evidence in accordance with the provisions of the lowest value is neutral 3 (neutral). This means that none of the respondents stated disagree or strongly disagree. Indicator 3 The budget realization report has been supported by evidence in accordance with the provisions the lowest value is neutral 3 (neutral). This means that none of the respondents stated disagree or strongly disagree. Indicator 4 financial management has separated the function of duty and the responsibility, the lowest value is neutral 3 (neutral). This means that none of the respondents stated disagree or strongly disagree. Indicator 5 Financial managers have understood that financial administration in accordance with the lowest score is 2 (disagree). This means that according to respondents are not all employees understand financial administration in accordance with the applicable provisions. Indicator 6 Financial Manager with the lowest accounting education background is 2 (disagree). This means that financial managers at BMKG do not all have an accounting education background. Indicator 7 facilities and infrastructures in the financial management that are owned to have adequate the lowest score is 1 (strongly disagree). This means that according to respondents' perceptions, facilities and infrastructure in financial management have not been fully adequate. Indicators 8 and 9 in terms of the lowest score transparency are 1 (strongly disagree). This means that according to the respondent's perception, "Not all financial statements are presented openly (nothing is covered)". Indicators 10 and 11 in terms of the lowest score management are 1 (strongly disagree). This means that according to the respondents' perception that the existing budget cannot meet all expenditure budget needs, besides that, it can be described the answers of 92 respondents on the implementation of governmental accounting standards is good because the mean results or an average of 45.17: 11 = 4.10 higher than 4.

c. Response to the Government Internal Control System

The following is a recap of respondents' answers to the Government's Internal Control System:

Table 2

Descriptive Statistics of Variables of Government Internal Control Systems
Descriptive Statistics

| | N | Minimum | Maximum | Mean | Std. Deviation |
|--------------------|----|---------|---------|-------|----------------|
| SSIP1 | 92 | 2 | 5 | 4.04 | .769 |
| SSIP2 | 92 | 2 | 5 | 4.20 | .667 |
| SSIP3 | 92 | 2 | 5 | 3.96 | .811 |
| SSIP4 | 92 | 2 | 5 | 3.79 | .846 |
| SSIP5 | 92 | 2 | 5 | 3.76 | .803 |
| SSIP6 | 92 | 2 | 5 | 3.95 | .652 |
| SSIP7 | 92 | 2 | 5 | 4.21 | .621 |
| SSIP8 | 92 | 2 | 5 | 4.03 | .654 |
| SSIP9 | 92 | 2 | 5 | 3.92 | .615 |
| SSIP10 | 92 | 2 | 5 | 4.12 | .660 |
| SSIP11 | 92 | 2 | 5 | 3.43 | .941 |
| SSIP12 | 92 | 2 | 5 | 4.03 | .687 |
| SSIP13 | 92 | 1 | 5 | 3.55 | 1.009 |
| SSIP14 | 92 | 2 | 5 | 4.18 | .710 |
| SSIP15 | 92 | 2 | 5 | 4.03 | .670 |
| ToSSIP | 92 | 44 | 75 | 59.22 | 7.460 |
| Valid N (listwise) | 92 | | | | |

d. Primary data sources processed in 2018

Based on table 2 above can be seen the indicator 1 enforcement of the lowest score ethics score with a score of 2 (disagree). This means that according to respondents' perceptions that not all apparatus know the written code of ethics, and get examples of ethical behavior from the leadership. Indicator 2 risk control has the lowest score 2 (disagree). This means that according to respondents' perceptions, not all financial apparatus understand the measurement of risk to risk management and the determination of limits and determination of risk tolerance. Indicator 3 the separation of duties and positions has the lowest score 2 (disagree). This means that according to respondents' perceptions, not all financial apparatus feel that there is a function of segregation of duties and positions. This can happen because the number of government apparatus is still lacking. Indicator 4 has the clearest authority and responsibility to have the lowest score 2 (disagree). This means that according to the respondent's perception that there is no need for a functioning system and helps to ensure that responsibility has actually been implemented. Indicator 5 controlling authorization has the lowest score 2 (disagree). This means that according to respondents' perceptions that all activities of the BMKG's financial apparatus have not been implemented accordingly and adequately. Indicator 6 information and communication has the lowest score 1 (strongly disagree). This is according to respondents that the information in the financial statements has been communicated to those who need it. Indicator 7 periodic supervision has the lowest score 2 (disagree). This is according to the respondent that there are some apparatus who do not approve if the supervision is carried out continuously and periodically. Maximum score of 5 for all indicators 1 through indicator 15, while the minimum value of 1 is obtained from the respondent's answer to question number 13. For some indicators of the independent variables can be described that the answers of 92 respondents to the Government Internal Control System are good because the mean or average results average of 59.22: 15×3.95 greater than 3.

e. Response to the Quality of Government Apparatus

Here is a recap of respondents' answers to the Quality of Government Apparatus:

Table 3
Descriptive Statistics of Quality Variables of Government Apparatus

| | N | Descriptive Statistics | | | |
|--------------------|----|------------------------|---------|-------|----------------|
| | | Minimum | Maximum | Mean | Std. Deviation |
| KAPP1 | 92 | 1 | 5 | 3.03 | 1.063 |
| KAPP2 | 92 | 2 | 5 | 3.26 | .936 |
| KAPP3 | 92 | 2 | 5 | 3.00 | .902 |
| KAPP4 | 92 | 1 | 5 | 3.24 | 1.073 |
| KAPP5 | 92 | 1 | 5 | 2.59 | 1.071 |
| ToKAPP | 92 | 10 | 25 | 15.15 | 3.649 |
| Valid N (listwise) | 92 | | | | |

f. Primary data sources processed in 2018

Based on table 3 above obtained answers from respondents for indicator 1 about the placement of employees not supported by the appropriate educational background having the lowest score 1 (strongly disagree). This is because most of the placement of employees in BMKG's financial management section is in accordance with their educational background. Indicator 2 readiness of employees in facing a change has the lowest score 2 (disagree) on this answer according to the perception of the respondent of the existing employee who has understood the work assignment. Indicator 3 for employee competency has the lowest score 2 (disagree) to this answer according to the respondent's perception that the existing employee is ready to make changes to the process of preparing financial reports. Indicator 4 has the lowest score of 1 (strongly disagree). This is because according to some respondents employees have understood the contents of Government Regulation No. 71 of 2010 concerning Government Accounting Standards. Indicator 5 some respondents choose score 1 (strongly disagree) this is that the BMKG work unit has capable human resources. So from the table a minimum score of 1 and a maximum score of 5, for some of these indicators can be illustrated that the answers of 92 respondents to the variable Quality of Government Apparatus are good because the mean or average of 15.15: $5 = 3.03$ is greater than 3.

g. *Response to Organizational Commitment*

Berikut adalah rekap jawaban responden terhadap Komitmen Organisasi.

Table 4
Descriptive Statistics of Organizational Commitment Variables

| | N | Descriptive Statistics | | | |
|--------------------|----|------------------------|---------|-------|----------------|
| | | Minimum | Maximum | Mean | Std. Deviation |
| KO1 | 92 | 2 | 5 | 4.17 | .689 |
| KO2 | 92 | 2 | 5 | 3.99 | .777 |
| KO3 | 92 | 2 | 5 | 4.12 | .724 |
| KO4 | 92 | 3 | 5 | 4.16 | .579 |
| KO5 | 92 | 1 | 5 | 3.67 | .951 |
| KO6 | 92 | 1 | 5 | 3.33 | .951 |
| KO7 | 92 | 2 | 5 | 3.79 | .778 |
| KO8 | 92 | 1 | 5 | 3.74 | .810 |
| KO9 | 92 | 2 | 5 | 3.95 | .685 |
| KO10 | 92 | 2 | 5 | 3.77 | .813 |
| ToKO | 92 | 26 | 50 | 38.70 | 5.334 |
| Valid N (listwise) | 92 | | | | |

h. *Primary data sources processed in 2018*

Based on Table 4 above for item 1, most respondents agree that they feel that they have an organization where they work. Item of question 2, most respondents agreed that they felt emotionally bound to the BMKG organization where they worked. Item of question 3, Most respondents agree that the organization they work for is very meaningful. Item of question 4, most respondents agree that they feel they are part of the organization they work for. Item of question 5, most respondents agree that the problems that occur in the workplace are like part of their problem. Item of question 6, the average respondent chooses an answers of score 3 (neutral), that is difficult to be bound by other organizations as like the organization in which they work. Item of question 7, most respondents strongly agree that they want to try hard to succeed the institution where they work. Item of question 8, some respondents strongly agree that employees remain in the agency because of their commitment to the organization. Item of question 9, most of the respondents strongly agreed that the reason they remained in the agency was due to the form of loyalty to the institution where they worked. Item of question 10, most respondents agree that they feel they have no commitment when leaving the organization where they work. The above answers can be seen for the maximum value of 5 for all indicators 1 through indicator 10, while the minimum value of 1 is obtained from the respondents' answers for indicators number 5, 6, and 8, and for some of these indicators can be described that the answers of 92 respondents for the Organizational Commitment variable is good, because the mean or average of $38.70 : 10 = 3.87$ is greater than 3.

i. Response to BMKG Financial Information Quality

Here is a recap of respondents' answers to BMKG Financial Information Quality:

Table 5
Descriptive Statistics of Financial Information Quality Variables of BMKG

| | Descriptive Statistics | | | | |
|--------------------|------------------------|---------|---------|-------|----------------|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| KLKPP1 | 92 | 3 | 5 | 4.22 | .488 |
| KLKPP2 | 92 | 2 | 5 | 4.27 | .537 |
| KLKPP3 | 92 | 2 | 5 | 4.30 | .569 |
| KLKPP4 | 92 | 3 | 5 | 4.36 | .505 |
| KLKPP5 | 92 | 3 | 5 | 4.35 | .523 |
| KLKPP6 | 92 | 1 | 5 | 4.30 | .642 |
| KLKPP7 | 92 | 2 | 5 | 4.28 | .599 |
| KLKPP8 | 92 | 3 | 5 | 4.16 | .498 |
| KLKPP9 | 92 | 2 | 5 | 4.12 | .724 |
| KLKPP10 | 92 | 2 | 5 | 4.16 | .651 |
| KLKPP11 | 92 | 2 | 5 | 4.04 | .678 |
| KLKPP12 | 92 | 2 | 5 | 4.20 | .579 |
| KLKPP13 | 92 | 2 | 5 | 4.08 | .597 |
| ToKLKP | 92 | 41 | 65 | 54.85 | 5.231 |
| Valid N (listwise) | 92 | | | | |

j. Primary data sources processed in 2018

Based on table 5 above can be seen for item of question 1, most respondents answered agree to financial report information giving users the opportunity to evaluate the achievement of goals. Item of Question 2, most respondents answered agree that financial information was presented on time according to the needs in decision making. Item of question 3, most respondents answered agree that financial information is presented on time as needed in decision making. Item of question 4, most respondents

answered agree that the financial statements in the Budget Realization Report are presented in full. Item of question 5, most respondents answered agree that the notes to the financial statements are presented in full. Item of question 6, most respondents answered agree that the financial statements in the balance sheet are presented in full. Item of question 7, most respondents answered agree that the financial statements were presented honestly. Item of question 8, most respondents answered that the financial statement information could be tested for fairness. Item of question 9, most of the respondents answered that they agree that the financial statement information was not in favor of the needs of certain parties. Item of question 10, most respondents answered agree that their financial statements could be compared with the previous period report. Item of question 11, most of the respondents answered that the financial statements could be compared with other financial reports within the BMKG. Item of question 12, most respondents answered agree that financial report information can be understood by its users. Item of question 13, most respondents answered agree that financial statement information is presented in forms and terms that are in accordance with the user's understanding limits. Maximum score of 5 for all indicators 1 through indicator 13, while the minimum value of 1 is obtained from the respondent's answer for indicator 6, and for some of these indicators can be described that the answers of 92 respondents to the Central Government Financial Information Quality variable are good because the mean or average results in the amount of 54.85: $13 = 4.22$ is greater than 4.

5. Conclusions

From the tabulation of respondents' answers, it is known that Government Accounting Standards, Government Internal Control System, Quality of Central Government Apparatus, Organizational Commitment, Central Government Financial Information Quality are the main factors influencing the application of governmental accounting standards in Indonesia.

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